

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry – Implementation of Handloom Weavers Loan Waiver Scheme –  
Financial Package for loans sanctioned by Commercial Banks – Orders – Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No. 78

Dated 02-08-2010

Read the following:-

- 1.G.O.Ms.No.29, Industries and Commerce (Tex) Department,  
dated 31-03-2010.
2. From the Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad,  
Lr.Rc.No.4029/2010-C, dated 07-06-2010, 22-06-2010,  
25-06-2010 and 02-07-2010

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**ORDER**

In the reference 1st read above, orders were issued, among other things, accepting the recommendation of the Group of Ministers (GoM) to finalize the financial package duly negotiating with the Banks for reducing the interest.

2. In the reference 2<sup>nd</sup> read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that negotiations have been held with the State Level Bankers Committee (S.L.B.C.) and major Banks on reduction of interest on the loans taken under Artisan Credit Cards / Prime Minister's Rozgar Yojana / Rajiv Yuva Shakti and it has been requested as follows:-

- (1) To write off loans classified as Non Performing Asset (NPA) by the Banks.
- (2) In respect of overdue loans simple interest may be calculated @ 8% per annum from the date of sanction of loan to the weaver. From the amount so arrived, the amount repaid by the weavers shall be deducted and on the balance, 50% of such recalculated interest will be borne by the Bank, and the balance of 50% will be met by the State Government along with the outstanding Principal amount written off.

3. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has further stated that the issue of reducing interest to weavers on the loans extended under Artisan Credit Cards, Prime Minister's Rozgar Yojana and Rajiv Yuva Shakti has been placed in the 3<sup>rd</sup> Steering Committee meeting of State Level Bankers Committee (S,L.B.C.) of Andhra Pradesh held on 04-06-2010 and the same has been discussed at length and resolved as follows:-

"All the controllers of the Banks are requested to issue suitable instructions to their branches to extend One Time Settlement (OTS) to handloom weavers' loans and put up claim to Government in terms of guidelines received".

(PTO)

4. While furnishing the following One Time Settlement (OTS) formula to be adopted by the Bankers under Loan Waiver Scheme for handloom weavers for the loans taken under Artisan Credit Cards, Prime Minister's Rozgar Yojana and Rajiv Yuva Shakti treating all the loans as loss assets, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to agree for the same and issue necessary orders in the matter:-

Sl. No.	Particulars	Amount (Rs.)
1	Loan amount sanctioned	
2	Less: Repayments made towards Principal upto 31-3-2010	
3	Principal due (1-2)	
4	Less: Subsidy amount for appropriation	
5	Balance amount due (3-4)	
6	Minimum amount to be reimbursed (75% Column No.5 above)	

The operative period shall be fixed from 15-07-2010 to 31-12-2010 with a stipulation that the claims received after 31-12-2010 for settlement of dues will not be entertained. The claims shall be placed before District Level Committee / State Level Committee from time to time to be processed and settled immediately.

5. After careful examination, the Government have decided to agree with the One Time Settlement (OTS) formula as mentioned at Para (4) above. Accordingly, Government hereby agree for the implementation of the Handloom Weavers' Loan Waiver Scheme as per Para (4) above. The Banks shall treat the loans taken under Artisan Credit Cards, Prime Minister's Rozgar Yojana, Rajiv Yuva Shakti as loss assets and 75% of the outstanding principal only shall be reimbursed by the State Government, in tune with the One Time Settlement (OTS) of the Banks.

6. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to take necessary further action in the matter accordingly.

7. This Order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.9005/280/Expr.I&C/2010, dated 31 -07-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R.ACHARYA,  
PRINCIPAL SECRETARY TO GOVERNMENT.

To  
The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad  
The Convener,  
State Level Bankers Committee of Andhra Pradesh,  
Andhra Bank, Dr. Pattabhi Bhavan, Saifabad, Hyderabad.  
All the District Collectors.

Copy to:

The Finance ( Exp.I&C) Department  
The P.S. to Special Secretary to Chief Minister.  
The P.S. to M(M&G,H&T,SM)  
The P.S to Principal Secretary to Government,  
Industries and Commerce Department.

SF/SC.

// FORWARDED BY: ORDER//

SECTION OFFICER.